

P-404, 421, 430, 407, 405, 426/CP-89-1039 REQUIRING COST STUDIES AND PROPOSED RATES AND ESTABLISHING A COMMENT PERIOD

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Darrel L. Peterson	Chair
Cynthia A. Kitlinski	Commissioner
Norma McKanna	Commissioner
Robert J. O'Keefe	Commissioner
Patrice Vick	Commissioner

In the Matter of a Petition for Extended Area Service Between the Monticello Exchange and the Minneapolis/St/ Paul Metropolitan Calling Area

ISSUE DATE: October 1, 1990

DOCKET NO. P-404, 421, 430, 407, 405, 426/CP-89-1039

ORDER REQUIRING COST STUDIES AND PROPOSED RATES AND ESTABLISHING A COMMENT PERIOD

PROCEDURAL HISTORY

On November 20, 1989, the Commission received a petition for Extended Area Service (EAS) between Monticello and the Minneapolis/St. Paul Metropolitan Calling Area (MCA).

On July 3, 1990, the Commission found that the Monticello exchange met the adjacency requirement of Minn. Stat. § 237.161 and directed Bridgewater Telephone Company (Bridgewater), the telephone company providing local service to Monticello, to file traffic studies that would allow the Commission to determine whether the traffic requirement of the new EAS legislation was satisfied. Minn. Stat. § 237.16 (1990)

On August 17, 1990 Bridgewater's accounting firm filed the required traffic study.

On September 12, 1990, the Commission met to consider this matter.

FINDINGS AND CONCLUSIONS

The new EAS legislation provides that a request to install EAS will be granted when the following three criteria have been met:

- (1) the petitioning exchange is contiguous to an exchange or local calling area to which extended area service is requested in the

petition.

(2) at least 50 percent of the customers in the petitioning exchange make one or more calls per month to the exchange or local calling area to which extended area service is requested, as determined by a traffic study; and

(3) polling by the Commission shows that a majority of the customers responding to a poll in the petitioning exchange favor its installation, unless all parties and the Commission agree that no polling is necessary. Minn. Stat. § 237.161, subd. 1(a)(1-3) (1990).

Adjacency

In its July 3, 1990 Order, the Commission found that the Monticello exchange is contiguous with the metro calling area and that it therefore met the first statutory criterion: adjacency.

Sufficient Traffic

Bridgewater's traffic study for the Monticello exchange indicates that substantially more than 50% of the subscribers in the Monticello exchange made one or more calls to the metro calling area during the study month. Therefore, the Monticello petition meets the second statutory criterion: sufficient traffic.

Sufficient Subscriber Support

The third and final criterion is that a Commission poll of Monticello subscribers must show that 50% or more of subscribers responding to the poll favor installation of the proposed EAS route.

To enhance the validity of the poll, the Commission is required to make available to the subscribers the rates to be charged for the proposed EAS. Minn. Stat. § 237.161, subd. 1 (a) (3). Therefore, prior to conducting the poll, the Commission will establish the appropriate rates to include with the polling instrument.

As part of its rate setting process, the Commission will direct Bridgewater and the companies serving the existing metro calling area to file cost studies and proposed rates which meet the statutory criteria for such studies and rates. Minn. Stat. § 237.161, subds. 2 and 3. These studies and proposed rates and the comment period outlined in this Order will provide the Commission with the information it needs to determine the EAS rates that will be made available to Monticello subscribers at the time of the polling.

ORDER

1. Bridgewater Telephone Company (Bridgewater), the provider of local exchange service to the Monticello exchange, and the telephone companies serving the existing metro calling

area (Northwestern Bell Telephone Company, Contel of Minnesota, Inc., United Telephone of Minnesota, Central Telephone Company, and Scott-Rice Telephone Company) shall file cost studies and proposed rates for the proposed EAS between the Monticello exchange and the metro calling area with the Commission, the Minnesota Department of Public Service (the Department) and the petitioners from the Monticello exchange within 60 days of the date of this Order.

2. The cost studies and proposed rates filed in response to Ordering Paragraph 1 shall be based upon all the requirements of Minn. Stat. § 237.161, subd. 2 and 3 (1990) and shall assign 75% of the costs to the Monticello exchange.
3. Within 45 days of the filings required by Ordering Paragraph 1, the Department shall file a report and recommendations on the cost studies and proposed rates. The Department's report shall indicate whether the cost studies meet the requirements of Minn. Stat. § 237.161 and shall include a recommendation regarding the rates that the Commission may wish to use for polling the Monticello subscribers.
4. Within 20 days after the Department's filing required by Ordering Paragraph 3, any interested party may file comments on the Department's report and recommendation.
5. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Richard R. Lancaster
Executive Secretary

(S E A L)